

OFFICIAL COPY

Fresno, California

June 23, 2005

The City Council met in special session at the hour of 1:00 p.m. in the Council Chamber, City Hall, on the day above written, for a closed session and to continue consideration of the FY 2006 City of Fresno Budget.

Present were Councilmembers Boyajian, Calhoun, Duncan, Perea, Sterling, Westerlund and President Dages, City Manager Souza, Assistant City Manager Ruiz, Interim Assistant City Manager Quinto, City Attorney Montoy, City Clerk Klisch, Assistant City Clerk Salazar, Budget Manager Smith and necessary staff.

(1:00 P.M.) CLOSED SESSION - CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION: HOWARD JARVIS TAXPAYERS ASSOCIATION, ET AL V. COF, SUPERIOR COURT CASE NO. 03 CE CG 00071

The City Council met in closed session in Room 2125 at the hour of 1:05 p.m. to consider the above matter and reconvened in open session at 1:53 pm.

(1:30 P.M. #1) CONTINUED HEARING ON FISCAL YEAR 2006 CITY OF FRESNO BUDGET

President Dages announced the time had arrived to consider the issue and opened the hearing.

(To be heard in the following general order):

PERSONNEL DEPARTMENT

ECONOMIC DEVELOPMENT DEPARTMENT

GENERAL CITY PURPOSE

CDBG

REDEVELOPMENT AGENCY

PERSONNEL DEPARTMENT:

Acting Personnel Director Quinto thanked and recognized key staff, and gave a PowerPoint presentation on her department's budget which included a mission statement, organizational chart, FY 2005 accomplishments, service impacts, and KRA highlights.

Councilmember Calhoun thanked the department for budget monies and following through on a classification study, and spoke at length to the millions of dollars spent on education/professional training of staff and outside youth education, and his support for specific, in-depth mandatory assessments/evaluations.

MOTION - **Calhoun/Boyajian** - Direct staff to identify cost savings in the education spending appropriations to provide between \$50,000 and \$75,000 to hire an outside independent agency to conduct an evaluation and assessment of the City's multiple education programs and initiatives.

Councilmember Boyajian expressed concern with the \$250,000 cost for the city-wide classification study stating if a professional personnel director was in place that money would not have to be spent, expressed further concern with the cost for consultants and presented questions and comments at length relative to amount spent yearly on Mathis & Associates, what they do, how much is paid to the Pacific Institute, what FAX is paying the Pacific Institute \$25,000 for, if the department was currently looking for a director and if so why \$250,000 would be spent on a city-wide study when a personnel director would do that anyway, why an outside consultant would be hired for the director search when in-house staff (Ms. Zieba) has the expertise, in-house appointments of people with education and experience being good for employee morale, and consultants being a waste of money instead of being efficient, with Ms. Quinto and City Manager responding to questions and clarifying issues throughout. There was no further discussion.

Councilmember Duncan referenced a mid-year report from the United Way giving an update on the success of the grant writer program, advised of the numbers and emphasized the leveraging ability was historic, and asked Council to keep that information in mind when dealing with Motion #27 to defund the \$100,000 for the UW grant writer.

President Dages stated he was not the motion-maker on Motion #30, with City Clerk Klisch clarifying the motion was made by Councilmember Perea and seconded by Councilmember Duncan.

WITHDRAW MOTION #2 - Calhoun/Boyajian - Increase City Council salary by \$25,000 a year

Councilmember Calhoun withdrew his above motion advising he spoke with the city attorney and was told that it would not affect anything this year and added he might bring it back next year.

Relative to Motion #18, Councilmember Perea stated Motion #6 already dealt with Storyland insurance and amended his motion as follows:

AMENDED MOTION #18 - Perea/Dages - \$110,000 for fire fighter apparatus lease payments (balance of the \$180,000 for the IPA minus \$70,000 for Storyland/Playland insurance/Motion #6)

GENERAL CITY PURPOSE:

Budget Manager Smith stated the budget remained relatively the same a last year and there were no new positions proposed, and gave an overview of the Redevelopment Agency, Intergovernmental Relations, and other significant items/programs related to CDBG stating they were housed in this area as they were not directly associated with a specific department.

(2 - 0) An unidentified RJJ representative spoke to the RJJ's \$50,000 funding request and advised what the money would be used for.

City Manager Souza, Councilmember Westerlund and the RJJ representative responded to questions/comments of Councilmember Calhoun at length relative to RDA positions, who appoints the director position/who funds it/if it was a city position, if there will be two (2) administrator positions like before (executive director and redevelopment administrator), the Comcast/Buske Group/competitive bid process issue, the RJJ's funding request and if \$50,000 was enough, and the EDC's funding (base rate and amount contracted for) and lack of a good case made for those discretionary dollars.

Councilmember Calhoun made a motion to take \$25,000 from EDC's \$180,000 and allocate it to the RJJ's \$50,000 request and the City's \$25,000 allocation for a total of \$100,000, which motion died for lack of a second.

Discussion continued with Ms. Smith, Mr. Souza and Planning & Development Director Yovino responding to questions and/or comments of Councilmembers Boyajian, Duncan and Westerlund relative to the Jefferson Housing Project including what is being proposed and if police officers could be included, Councilmember Duncan congratulating the RJJ stating the benefits were starting to be seen, the Human Relations Commission settlement and how it is being paid off, and Mr. Souza speaking to the city's great working relationship with the RJJ and adding the numbers were starting to show due to the RJJ's work. There was no further discussion.

ECONOMIC DEVELOPMENT DEPARTMENT:

Interim ED Director Bowness gave an in-depth PowerPoint presentation on her department's budget which included a mission statement, KRAs, plan to support job development goal, progress toward job goal, job growth and unemployment rate, FY 2006 resources, EDD partnerships, partnerships in context of the KRA goals, and major FY 2006 initiatives **(3 - 0)**.

Ms. Bowness responded to questions and comments of Councilmembers Boyajian, Perea and Westerlund relative to the recent Las Vegas convention and Fresno's display booth to showcase developments, how much Fresno's booth cost, proposed motion to allocate \$15,000 to improve the booth (which motion was later seconded), amount of contact Fresno had at the convention, commendation on gap financing to assist landowners/developers, the Foreign Trade Zone and type of businesses that take advantage of it, the department, RDA and EDC working cooperatively and sharing information on projects, and Councilmember Boyajian's earlier motion.

MOTION - Boyajian/Westerlund - Allocate \$15,000 to improve the City of Fresno's booth at the annual ICSC convention in Las Vegas to showcase development projects.

There was no further discussion.

COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG):

Upon question of President Dages, City Manager Souza stated the presentation was the same as that made last Tuesday.

CDBG budget proceedings were briefly interrupted.

Donna Ueland, Executive Director of the Volunteer Center, presented Council with a budget for the Center's participation in the graffiti program (Motion #31).

Discussion and clarification ensued on the process, if people appearing and requesting funds was normal procedure, and Ms. Ueland's appearance being the result of Motion #31. Mr. Souza requested staff be allowed to accept Ms. Ueland's information and stated he would forward it to the planning & development director to review it in the context of the faith-based graffiti initiative or work program. Ms. Ueland thanked Council, advised her proposal was called the "Community Pride Project", and relative to prior comments made stated if some offenders were deemed inappropriate she would not use them in the graffiti removal efforts.

Councilmember Duncan questioned if there was some risk with Council accepting a proposal without proper due-diligence (with City Attorney Montoy responding), and encouraged Council to follow the city manager's request adding there was a good opportunity for the Volunteer Center to get a portion of the funds. Councilmember Boyajian stated the Mayor's proposal was so vague and the Volunteer Center's was specific and he hoped the city manager would look at the proposal.

Proceedings continued on the CDBG budget.

Councilmember Boyajian spoke in support of Catholic Charities, the Regional Cultural Institute which would provide apprenticeship programs for youth and rehabilitate homes, and the EOC Vocational Training Program, and made a motion to fund those programs by substituting them for **(4 - 0)** the West Fresno Coalition and Fresno Leadership Foundation, which motion died for lack of a second.

There was no further discussion. Councilmember Perea briefly left the meeting at 4:18 p.m.

(1:30 P.M. # 2) HEARING ON THE REDEVELOPMENT AGENCY FY 2006 BUDGET

"HOPE VI PROJECT"

Chair Boyajian announced the time had arrived to consider the issue and opened the hearing.

On the advice of the city attorney and the FPPC, Councilmember Sterling recused herself from the proceedings stating her Family Trust owned property in the Hope VI project area and left the meeting at 4:21 p.m.

Interim Redevelopment Director Murphey gave an overview of three project elements and recommended approval.

On motion of Councilmember Duncan, seconded by Councilmember Westerlund, duly carried, RESOLVED, the Hope VI Project hereby approved, by the following vote:

145-256

6/23/05

Ayes : Calhoun, Dages, Duncan, Westerlund, Boyajian
 Noes : None
 Absent : Perea
 Recused : Sterling

City Manager Souza advised staff received the final approval letter from HUD this date in which HUD stated they agreed with the City's resolution of the protests that were filed, and Ned Stacey of the Housing Authority commended staff and added the \$20 million for Hope VI was now available for drawn-down.

(A) AGENCY RESOLUTION NO. 1663 - ADOPTING THE REDEVELOPMENT AGENCY FY 06 BUDGET

Ms. Murphey continued and gave a lengthy presentation of the Agency's budget which included FY 2004 and 2005 accomplishments and capital projects. Councilmembers Perea and Sterling returned to the meeting at 4:28 p.m. during Ms. Murphey's presentation. RDA Consultant Bleth reviewed the housing budget.

At the request of Chair Boyajian, Ned Stacey, Executive Director of the Housing Authority, spoke to the close cooperation among the Housing Authority, the RDA and city housing staff the past five years and further to joint projects/programs.

Vice Chair Westerlund commended the Agency Board for their commitment to downtown revitalization and spoke to how the utilization of tax increment has been used in wonderful ways, and made a motion to adopt the Agency budget, which motion was seconded by Councilmember Duncan who congratulated the Agency for all they have done with less staff.

Ms. Murphey, an unidentified staff member, Mr. Bleth, Ms. Montoy, Project Coordinator Cox and Mr. Souza responded to questions, comments and concerns of Councilmember Calhoun at length relative to the Agency possibly operating with just one administrator, the CMC \$1.2 loan for Phase II land acquisition and several smaller acquisitions and concerns, park development improvements **(5 - 0)** and if that was part of the Hope VI project, reason for the large amount of Merger 2 carryover funds, amount budgeted for the Housing Authority and lesser amount spent, if more housing set-aside funds would be going to the Housing Authority, concern with consultant costs and lack of a full-time employee, amount paid to consultants this year, the Herzog/Hilton development project and when the RDA would get involved in the contract and what control the Agency would have over the building, Hotel Fresno funds being moved to another project if an interested developer comes forth, the FATRA loan, and if traffic lights paid for by the Agency should result in dollars being freed up for needs in non-redevelopment areas.

President Dages commended Ms. Murphey, Mr. Bleth, Mr. Stacey and staff for all their work.

Councilmember Westerlund made a motion to allocate \$30,000 to hire a firm to conduct an independent feasibility study/analysis on the viability of a downtown Convention Center Hotel, which was seconded by Chair Boyajian and subsequently withdrawn.

Chair Boyajian and Councilmember Sterling also commended staff, Mr. Bleth and Mr. Stacey for all their work and cooperation.

Councilmember Calhoun questioned why Councilmember Westerlund wanted to spend \$30,000 (by the above motion) when the city had already asked staff to do the analysis, with Councilmember Westerlund responding and Mr. Souza requesting he be allowed to first find out the exact status of the report from C.H. Johnson. Brief discussion ensued on whether the budget could be approved with this issue hanging whereupon Councilmember Westerlund withdrew his motion.

Councilmember Calhoun stated he did not feel comfortable with the CMC \$1.2 million matter and could not support the motion.

On motion of Councilmember Westerlund, seconded by Councilmember Duncan, duly carried, RESOLVED, the above entitled Agency Resolution No. 1663 hereby adopted, by the following vote:

Ayes : Dages, Duncan, Perea, Sterling, Westerlund, Boyajian
 Noes : Calhoun
 Absent : None

The City Council reconvened at 5:42 p.m.

145-257

6/23/05

President Dages closed the FY 2006 budget hearing to public testimony and advised Council deliberations on motions and taking necessary budget actions was continued to June 28, 2005, at 2:30 p.m.

Relative to whether a fire MFS resolution was forthcoming, Ms. Montoy clarified the hearing could be reopened next Tuesday for that item only. Ms. Montoy also advised the City won a Federal Court case on an officer-involved shooting (Jackson case).

ADJOURNMENT

There being no further business to bring before the Council, the hour of 5:44 p.m. having arrived and hearing no objections, President Dages declared the meeting adjourned.

Approved on the ____28th____ day of _____, June_____, 2005.

_____/s/_____ Mike Dages, Council President	ATTEST:_____/s/_____ Yolanda Salazar, Assistant City Clerk
--	---

145-258

6/23/05